RECEIVED BY

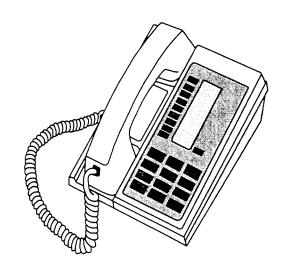
YEAR 2002

2003 199 30 PM 1: 36

OF SANUAL REPORT

Hot Springs Telephone Company

TELEPHONE UTILITY



TO THE
PUBLIC SERVICE COMMISSION
STATE OF MONTANA
1701 PROSPECT AVENUE
P.O. BOX 202601
HELENA, MT 59620-2601

Telephone Annual Report

Instructions

General

- 1. A Microsoft EXCEL 2000 workbook of the annual report is being provided on computer disk for your convenience. The workbook contains the schedules of the annual report. Each schedule is on the worksheet named that schedule. For example, Schedule 1 is on the sheet titled "Schedule 1". By entering your company name in the cell named "Company" of the first worksheet, the spreadsheet will put your company name on all the worksheets in the workbook. The same is true for inputting the year of the report in the cell named "YEAR". You can "GOTO" the proper cell by using the F5 key and selecting the name of the cell.
- 2. The workbook contains input sections that are unprotected, and non-input sections that are protected. Cell protection can be disabled or enabled through "TOOLS PROTECTION UNPROTECT SHEET" on your toolbar. Formulas and checks are built into most of the templates.
- 3. Use of the disk is optional. The disk and the report cover shall be returned when the report is filed. There are macros built into the workbook to assist you with the report. An explanation of the macros is on the "Control" worksheet at the front of the workbook. The explanations start at cell A1.
- 4. All forms must be filled out in permanent ink and be legible. Note: Even if the computer disk is used, a printed version of the report shall be filed. Please submit one unbound copy of the annual report along with the regular number of annual reports that you submit. This aids in scanning the report so that it may be published on our web site. The orientation and margins are set up on each individual worksheet and should print on one page. If you elect not to use the disk, please format your reports to fit on one 8.5" by 11" page with the left binding edge (top if landscaped) set at .85", the right edge (bottom if landscaped) set at .4", and the remaining two margins at .5". You may select specific schedules to print See the worksheet "CONTROL".
- 5. Unless otherwise indicated, all information required in these schedules shall be from the accounts prescribed in 47 C.F.R. Part 32 and the definitions and instructions therein will apply to this report wherever applicable.
- 6. Information on financial schedules may be rounded to thousands of dollars for companies with over 5,000 access lines. Companies submitting schedules rounded to thousands should so indicate at the top of the schedule.
- 7. Where more space is needed or more than one schedule is needed additional schedules may be attached and should be included directly behind the original schedule to which it pertains and be labeled accordingly (for example, Schedule 1A).

- 8. The information required with respect to any statement shall be furnished as a minimum requirement to which shall be added such further information as is necessary to make the required schedules not misleading.
- 9. The following schedules should be filled out with information on a total company basis:

Schedules 1 - 4
Schedule 10
Schedules 13 - 17
Schedule 19
Schedule 20, Page 1 of 2
Schedules 33 and 34

All other schedules should be filled out with Montana specific data. Financial schedules should include all amounts originating in Montana or allocated to Montana from other jurisdictions.

- 10. All companies owned by another company shall attach a corporate structure chart of the holding company.
- 11. The following schedules are not required to be filled out or submitted by companies with less than 5,000 access lines:

Schedule 6 Schedules 17 and 18 Schedule 21

- 12. Schedules that have no activity during the year or are not applicable to the respondent should be marked as not applicable and submitted with the report.
- 13. Companies with under 5,000 lines may use summary accounts and should leave lines for subaccounts blank. Summary accounts are noted with an asterisk and subaccounts that are not required are noted with a caret.
- 14. Companies with over 5,000 lines must complete schedules to all required subaccount detail.
- 15. FCC Form M sheets may not be substituted in lieu of completing annual report schedules.
- 16. Common sense must be used when filling out all schedules.

Specific Instructions

Schedules 3 through 9

1. **Schedules 3, 4, and 9** should include all notes to the financial statements required by the FCC or included in the financial statements issued as audited financial statements. These notes should be included in the report directly behind the schedules and should be labeled appropriately (Schedule 3A, etc.).

- 2. **Schedule 5** may be omitted for companies doing business only in Montana.
- 3. **Schedule 6** is not required for companies with under 5,000 lines.
- 4. **Schedule** 7 must be completed by all companies. For companies under 5,000 lines, this schedule may be completed on a total state basis. Any such company completing the form on a total state basis shall indicate this fact clearly on the form.
- 5. **Schedule 8** Companies with less than 5,000 lines are not required to fill out the intrastate portion. The regulated rate base must be separated from the deregulated rate base but this may be done on a total state basis. Any company so doing shall clearly indicate this on the form.
- 6. Only accounts designated on **Schedule 8** may be included in rate base. Only companies who have specifically been authorized in a Commission order to include cash working capital in rate base may fill out line 8 on Schedule 8. Cash working capital must be calculated using the methodology approved in the Commission order. The most recent Commission Order, and Docket, specifying cash working capital shall be noted on the schedule.
- 7. **Schedule 9** Instructions to complete are similar to those used for the Statement of Cash Flows in the FCC Form M.

Schedule 10

1. For the purpose of this schedule, nonofficial companies shall include any company in which the respondent has an ownership interest which does not meet the definition of an affiliated company set out in 47 C.F.R. Section 32.9000. This schedule shall not include telecommunications accounts receivable from other customers.

Schedule 11

1. All amounts listed in Column f that represent individual items for which the higher of cost or market value was in excess of \$50,000 for companies with under 5,000 lines and in excess of \$100,000 for companies with over 5,000 lines must be fully explained in notes to this schedule. The explanation must include the plant description and location, the original cost, the net book cost, the market value, the value at which it was transferred or the price at which it was sold, and the party to which it was transferred or sold.

Schedule 12

- 1. Respondents shall list each item amounting individually to \$100,000 or more and report all others in the aggregate.
- 2. Amounts in Column f relating to individual items exceeding \$50,000 shall be fully explained.

Schedule 15

- 1. Line I must be completed by all companies for the most recent calendar year. The retention and price/earnings ratios shall be calculated on a year end basis. Enter the actual year end market price in the "Year Ended" row. If the computer disk is used, enter the year end market price in the "High" column.
- 2. Lines starting at 9 shall be completed for each of the twelve months of the report year for all companies with over 5,000 access lines. Earnings per share and dividends per share shall be

reported on a quarterly basis and entries shall be made only to the months that end the respective quarters (for example, March, June, September, and December.)

Schedule 19

- 1. All companies are required to submit this form. Companies with more than one plan (for example, both a retirement plan and a deferred savings plan) shall complete a schedule for each plan.
- 2. Companies with defined benefit plans must complete the entire form using FASB 87 and 132 guidelines.
- 3. Interest rate percentages shall be listed to two decimal places.

Schedule 20

- 1. All changes to the employee benefit plans shall be explained in a narrative on lines 15 and 16. All cost containment measures implemented in the reporting year shall be explained and quantified in a narrative on lines 15 & 16. All assumptions used in quantifying cost containment results shall be disclosed.
- 2. The schedule shall be filled out using FASB 106 and 132 guidelines.

Schedule 21

1. Respondents shall disclose all payments made during the year where the aggregate payment to the recipient was \$25,000 or more. Payments must include fees, retainers, commissions, gifts, contributions, assessments, bonuses, subscriptions, allowances for expenses or any other form of payment for services or as a donation.

Schedule 23

1. Respondents shall provide an attached sheet detailing the type and corresponding number of access lines for all entries in Column L (Other).

Schedule 24

- 1. Column (b). For each wire center that has a configuration of "Remote", Column (b) shall also reflect the respective "Host".
- 2. Column (c). Examples of Types of Switches are: Digital, Step by Step, and Crossbar.

Schedule 25

1. This schedule must be completed by all companies for the year following the reporting year.

Schedule 26

1. Respondents shall either report construction technicians and splicers as separate categories or footnote the appropriate categories and indicate the number of (1) construction technicians; and (2) splicers.

Schedule 27

- 1. Include in column (d) ALL additional forms of compensation, including, but not limited to: deferred compensation, deferred savings plan, profit sharing, supplemental or non-qualified retirement plan, employee stock ownership plan, restricted stock, stock options, stock appreciation rights, performance share awards, dividend equivalent shares, mortgage payments, use of company cars or car lease payments, tax preparation consulting, financial consulting, home security systems, company-paid physicals, subscriptions to periodicals, memberships, association or club dues, tuition reimbursement, employee discounts, and spouse travel.
- 2. The above compensation items shall be listed separately. Where more space is needed additional schedules may be attached and shall be included directly behind the original schedule to which it pertains.
- 3. If respondent is claiming protected status of salary information both a proprietary and non-proprietary copy of this schedule shall be filed. On the non-proprietary copy respondent shall indicate which columns respondent maintains are proprietary. A note stating that such information is being provided separately shall be included on the schedule. In no case shall either Column (a) Name/Position, or Column (g) Percent Increase Total Compensation, be considered proprietary. Respondent shall provide all requested information on the proprietary copy.

Schedule 28

- 1. Respondents shall provide all executive compensation information in conformance with that required by the Securities and Exchange Commission (SEC) (Regulation S-K Item 402, Executive Compensation).
- 2. Include in column (d) ALL additional forms of compensation, including, but not limited to: deferred compensation, deferred savings plan, profit sharing, supplemental or non-qualified retirement plan, employee stock ownership plan, restricted stock, stock options, stock appreciation rights, performance share awards, dividend equivalent shares, mortgage payments, use of company cars or car lease payments, tax preparation consulting, financial consulting, home security systems, company-paid physicals, subscriptions to periodicals, memberships, association or club dues, tuition reimbursement, employee discounts, and spouse travel.
- 3. All items included in Column (d) Other Compensation shall be listed separately. Where more space is needed additional schedules may be attached and shall be included directlybehind the original schedule.
- 4. In addition, respondents shall attach a copy of the executive compensation information provided to the SEC.

Schedule 29

1. Information from this schedule is consolidated with information from other Utilities and reported to the National Association of Regulatory Utility Commissioners (NARUC). Your assistance in completing this schedule, even though information may be located in other areas of the annual report, expedites reporting to the NARUC and is appreciated.

Schedules 33 and 34

- 1. Respondents shall report all transactions with affiliated companies.
- 2. Column (c). Respondents shall indicate in column (c) the method used to determine the price. Respondents shall indicate if a contract is in place between the Affiliate and the Utility. If a contract is in place, respondents shall indicate the year the contract was initiated, the term of the contract and the method used to determine the contract price.
- 3. Column (c). If the method used to determine the price is different than the previous year, respondents shall provide an explanation, including the reason for the change.

Schedule 35

- 1. Respondents shall provide an attached sheet detailing the account and the amount for all entries made to Lines 9 and 16.
- 2. Only companies who have specifically been authorized in a Commission Order to include cash working capital in rate base may include cash working capital in lines 9 or 16. Cash working capital must be calculated using the methodology approved in the Commission Order. The Commission Order specifying cash working capital shall be noted on the attached sheet.
- 3. Respondents shall indicate, for each adjustment on lines 30 through 42, if the amount is updated or if it is from the last rate case. All adjustments shall be calculated using Commission methodology.

Schedule 36

Respondents shall list the amount of tax accrued or paid for the fiscal year attributable to Montana sources for each of the listed taxes

Schedule 37

1. Respondents shall list the amount of Universal Service Funds received from Montana and from the federal government.

Telephone Annual Report

Table of Contents

Description	Schedule	Page
Instructions		i - vi
General Information	1	1
Officers	2	2
Total Company Balance Sheet	3	3
Total Company Income Statement	4	5
Total State Income Statement	5	6
Intrastate Income Statement	6	7
Intrastate Regulated Income Statement	7	8
Average Rate Base	8	9
Statement of Cash Flows	9	10
Receivables and Investment	10	11
Net Plant in Service	11	12
Plant Held for Future Use	12	13
Average Cost of Long Term Debt	13	14
Cost of Preferred Stock	14	15
Analysis of Common Stock	15	16
Capital Stock and Reacquired Debt	16	17
Total Company Expense Matrix	17	18
Total State Expense Matrix	18	20
Pension Costs	19	22

continued on next page

Description	Schedule	Page
Other Post Employment Benefits (OPEBs)	20	23
Payments for Services	21	25
Subscriber Line Usage Data	22	26
Central Office and Access Line Statistics	23	27
Central Office and Switch Information	24	28
Construction Budget	25	29
Montana Employee Counts	26	30
Compensation of Top 10 Montana Based Employees	27	31
Compensation of Top 5 Corporate Employees	28	32
Montana Composite Statistics	29	33
Depreciation	30	34
Montana Regulatory Capital Structure and Costs	31	35
Network Access - Charges and Revenues	32	35
Affiliated Transactions - To the Utility	33	36
Affiliated Transactions - By the Utility	34	37
Montana Earned Rate of Return	35	38
Other Taxes Paid	36	39
Universal Service Funds Received	37	39

Company Name: Hot Springs Telephone Co.

SCHEDULE 1

Year: 2002

General Information

1 Legal Name of Respondent: Hot Springs Telephone Co.

2. Name Under Which Respondent Does Business: Same as above

3. Date of Incorporation: 1-1-55

4. Address to send Correspondence Concerning Report: P.O. Box 7850

Kalispell, Mt. 59904-0850

5. Person Responsible for This Report: Phyllis O. Ekblad

5a. Telephone Number: (406)-755-7231

Control Over Respondent

1. If direct control over the respondent was held by another entity at the end of year provide the following:

1a. Name and address of the controlling organization or person:

NΑ

1b. Means by which control was held:

NΑ

1c. Percent Ownership:

NΑ

	Board of Directors	
Line No.	Name of Director and Address (City, State) (a)	Fees Paid During Year (b)
1	Jay W. Preston Sr., 312 Main St. SW, Ronan, MT. 59864	None
2	Robert B. Ekblad, P.O. Box 161, Dayton, Mt. 59914	6,000
3	Phyllis O. Ekblad, 319 Commons Way, Kalispell, Mt. 59901	None
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18	Chairman of the Board:	
19		
20		

	Officers Year: 2002						
Line	Title	Department Over Which	Name and Address of Person				
No.	of Officer	Jurisdiction is Exercised	Holding Office at Year End				
	(a)	(b)	(c)				
1	President	General Manager	Jay W. Preston Sr., Ronan, Mt.				
2	Secretary-Treasurer	Financial & Accounting	Phyllis O. Ekblad, Kalispell, Mt.				
3	Vice-President	Engineering Studies, Technology	Robert B. Ekblad, Dayton, Mt.				
4		Forcasting & Advance planning					
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16 17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							

Page 1 of 2

			Total Company Balance Sheet		Year: 2002
Line		Acct.		This	Last
No.		No.	Description	Year	Year
190.		(a)	(b)	(c)	(d)
1			CURRENT ASSETS:		4
2		1120	Cash and Equivalents	528,629	556,859
3		1180	Telecommunications Accounts Receivable - Net	6,963	3,320
4		1190	Other Accounts Receivable - Net		,
5		1200	Notes Receivable - Net		
6		1210	Interest and Dividends Receivable		
7		1220	Materials and Supplies		
8	*	1280	Prepayments	18,649	
9	^	1290	Prepaid Rents		
10	^	1300	Prepaid Taxes		
11	^	1310	Prepaid Insurance		
12	^	1320	Prepaid Directory Expenses		
13	^	1330	Other Prepayments		
14		1350	Other Current Assets		
15			Total Current Assets	554,241	560,179
16			NONCURRENT ASSETS:		
17		1401	Investments in Affiliated Companies		
18		1402	Investments in Nonaffiliated Companies		
19		1406	Nonregulated Investments		
20		1407	Unamortized Debt Issuance Expense		
21		1408	Sinking Funds		
22		1410	Other Noncurrent Assets		
23		1438	Deferred Maintenance and Retirements		
24		1439	Deferred Charges		
25		1500	Other Jurisdictional Assets - Net		
26			Total Noncurrent Assets		
27			PROPERTY, PLANT, & EQUIPMENT:		
28		2001	Telecommunications Plant in Service	2,704,631	2,487,704
29		2002	Property Held for Future Telecommunications Use		
30		2003	•		
31		2004	Plant Under Construction - Long Term		
32		2005	Telecommunications Plant Adjustment		
33		2006			
34		2007			
35		3100	1	1,663,415	1,457,580
36		3200	Accumulated Depreciation - Held for Future Use		
37		3300	Accumulated Depreciation - Nonoperating		
38	<u> </u>	3400	Accumulated Amortization		
39	<u> </u>		Net Property, Plant, & Equipment	1,041,216	1,030,124
40			TOTAL ASSETS	1 505 457	1.500.202
<u> 40</u>	<u></u>	L	I O I AL ABBEID	1,595,457	1,590,303

[^] Subaccount of account marked with a *.

Page 2 of 2

		Total Company Balance Sheet		Year: 2002
Line	Acct.		This	Last
No.	No.	Description	Year	Year
190.	(a)	(b)	(c)	(d)
41		CURRENT LIABILITIES:		
42	4010	Accounts Payable	194,688	237,904
43	4020	Notes Payable		ŕ
44	4030	Advance Billing and Payments		
45	4040	Customer Deposits	13,153	12,709
46	4050	Current Maturities - Long Term Debt		
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued		
49	4080	Other Taxes - Accrued		
50	4100	Net Current Deferred Operating Income Taxes		
51	4110	Net Current Deferred Nonoperating Income Taxes		
52	4120	Other Accrued Liabilities		
53	4130	Other Current Liabilities		16,426
54		Total Current Liabilities	207,841	267,039
55		LONG-TERM DEBT:		
56	4210	Funded Debt		
57	4220	Premium on Long-Term Debt		
58	4230	Discount on Long-Term Debt		
59	4240	Reacquired Debt		
60	4250	Obligations Under Capital leases		
61	4260	Advances From Affiliated Companies		
62	4270	Other Long-Term Debt	129,117	179,117
63		Total Long-Term Debt	129,117	179,117
64		OTHER LIABILITIES AND DEFERRED CREDITS:		
65	4310	Other Long-Term Liabilities		
66	4320	Unamort. Oper. Invest. Tax Credits - Net		
67	4330	Unamort. Nonoper. Invest. Tax Credits - Net		
68	4340	Net Noncurrent Deferred Oper. Income Taxes		
69	4350	Net Noncurrent Deferred Nonoper. Income Taxes		
70	4360	Other Deferred Credits		
71	4370	Other Jurisdictional Liab. and Def. Credits		
72		Total Other Liabilities and Deferred Credits	None	None
73		STOCKHOLDERS' EQUITY:		
74	4510	Capital Stock	80,000	80,000
75	4520	Additional Paid-In Capital	10,832	10,832
76	4530	Treasury Stock	(125,000)	(125,000)
77	4540	Other Capital	· ´ ´	
78	4550	Retained Earnings	1,292,667	1,178,315
79		Total Stockholders' Equity	1,258,499	1,144,147
80		TOTAL LIAB. AND STOCKHOLDERS' EQUITY	1,595,457	1,590,303

Year: 2002

Total Company Income Statement

			total Company mediae Statement	······	1 car. 2002
Line		Acct.		This	Last
No.		No.	Description	Year	Year
140.		(a)	(b)	(c)	(d)
1			REVENUES:		
2		5000	Basic Local Service Revenues	242,920	208,128
3		5080	Network Access Revenues	931,928	944,508
4	*	5100	Long Distance Message Revenue	8,905	ŕ
5	^	5110	Unidirectional Long Distance Revenue		
6	^	5120	Long Distance Private Network Revenue		
7	^	5160	Other Long Distance Revenue		
8	^	5169	Other Long Distance Revenue Settlements		
9	*	5200	Miscellaneous Revenue	44,240	40,224
10	^	5230	Directory Revenue	,	,
11	^	5240	Rent Revenue		
12		5250	Corporate Operations Revenue		
13	^	5260	Miscellaneous Revenue		
14		5270	Carrier Billing and Collection Revenue		
15		5280	Nonregulated Revenue	4,123	5,357
16		5300	Uncollectible Revenue	(2,963)	(2,635)
17		3300	Total Revenues (L.2+L.3+L.4+L.9-L.16)	1,229,153	1,195,582
18	\dashv		OPERATING EXPENSES:	1,227,133	1,173,302
19		6110	Network Support Expense	. 90,322	73,345
20		6120	General Support Expense	18,661	9,813
21		6210	Central Office Switching Expense	59,003	68,912
22		6220	Operator Systems Expense	37,003	00,712
23		6230	Central Office Transmission Expense		
24		6310	Information Origination/Termination Expense		
25	*	6410	Cable and Wire Facilities Expense	73,733	73,713
26	_	6431	Aerial Wire Expense	75,755	75,715
27	_	6441	Conduit Systems Expense		
28		6510	Other Property, Plant & Equipment Expense	66,807	59,768
29		6530	Network Operations Expense	66,488	74,373
30		6540	Access Expense	79,775	64,133
31		6560	Depreciation and Amortization Expense	167,033	172,145
32		6610	Marketing	107,033	172,173
33		6620	Services	89,067	80,089
34		6710	Executive and Planning	17,205	15,416
35		6720	General and Administrative	319,695	288,547
36		6790	Provision for Uncollectible Notes Receivable	319,093	200,547
37	 	0730	Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	1,047,790	980,254
38	-	7100	Other Operating Income and Expense	1,047,730	700,234
39		7200	Operating Taxes	40,160	57.452
40		7200	Net Operating Income (L.17-L.37+L.38-L.39)	141,204	57,452 157,876
41		7300	Nonoperating Income and Expense	141,204	137,870
42		7400	Nonoperating Taxes Nonoperating Taxes		
43		7500	Interest and Related Items	14.010	10.001
3		i		14,919	18,901
44		7600	Extraordinary Items Effects of Lyris Potentials Diff. Not		
45		7910	Effects of Juris. Ratemaking Diff Net		00.55
46	├-	7990	Nonregulated Net Income	5,670	8,055
47			NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)	120,614	130,920

[^] Subaccount of the account marked with a *.

Year: 2002

Not Required--Doing Business Only in Montana

Montana Total State Income Statement

Line		Acct.		This	Last
No.		No.	Description	Year	Year
110.		(a)	(b)	(c)	(d)
1			REVENUES:		
2		5000	Basic Local Service Revenues		The state of the s
3		5080	Network Access Revenues		
4	*	5100	Long Distance Message Revenue		
5	^	5110	Unidirectional Long Distance Revenue		
6	^	5120	Long Distance Private Network Revenue		
7	^	5160	Other Long Distance Revenue		
8	^	5169	Other Long Distance Revenue Settlements		
9	*	5200	Miscellaneous Revenue		
10	^	5230	Directory Revenue		
11	^	5240	Rent Revenue		
12	^	5250	Corporate Operations Revenue		
13	^	5260	Miscellaneous Revenue		
14	^	5270	Carrier Billing and Collection Revenue		
15	^	5280	Nonregulated Revenue		
16		5300	Uncollectible Revenue		
17			Total Revenues (L.2+L.3+L.4+L.9-L.16)		
18			OPERATING EXPENSES:		***************************************
19		6110	Network Support Expense		
20		6120	General Support Expense		
21		6210	Central Office Switching Expense		
22		6220	Operator Systems Expense		
23		6230	Central Office Transmission Expense		
24		6310	Information Origination/Termination Expense		
25	*	6410	Cable and Wire Facilities Expense		
26	^	6431	Aerial Wire Expense		
27	^	6441	Conduit Systems Expense		
28		6510	Other Property, Plant & Equipment Expense	ecc.	
29		6530	Network Operations Expense		
30		6540	Access Expense		
31		6560	Depreciation and Amortization Expense		
32		6610	Marketing		
33		6620	Services		
34		6710	Executive and Planning		
35		6720	General and Administrative		
36		6790	Provision for Uncollectible Notes Receivable		
37			Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)		
38		7100	Other Operating Income and Expense		
39		7200	Operating Taxes		
40	1		Net Operating Income (L.17-L.37+L.38-L.39)		
L		I	The state of the s		

[^] Subaccount of the account marked with a *.

Year: 2002

Not Required--We have less than 5,000 Access Lines

Montana Intrastate Income Statement

Line		Acct.		This	Last
No.		No.	Description	Year	Year
190.		(a)	(b)	(c)	(d)
1			REVENUES:		
2		5000	Basic Local Service Revenues		
3		5080	Network Access Revenues		
4	*	5100	Long Distance Message Revenue		
5	^	5110	Unidirectional Long Distance Revenue		
6	^	5120	Long Distance Private Network Revenue		
7	^	5160	Other Long Distance Revenue		
8	^	5169	Other Long Distance Revenue Settlements		
9	*	5200	Miscellaneous Revenue		
10	^	5230	Directory Revenue		
11	^	5240	Rent Revenue		
12	^	5250	Corporate Operations Revenue		
13	^	5260	Miscellaneous Revenue		
14	^	5270	Carrier Billing and Collection Revenue		
15	^	5280	Nonregulated Revenue		
16		5300	Uncollectible Revenue		
17		3	Total Revenues (L.2+L.3+L.4+L.9-L.16)		
18			OPERATING EXPENSES:		
19		6110	Network Support Expense		
20		6120	General Support Expense		
21		6210	Central Office Switching Expense		
22		6220	Operator Systems Expense		
23		6230	Central Office Transmission Expense		
24		6310	Information Origination/Termination Expense		
25	*	6410	Cable and Wire Facilities Expense		
26	^	6431	Aerial Wire Expense		
27	^	6441	Conduit Systems Expense		
28		6510	Other Property, Plant & Equipment Expense		
29		6530	Network Operations Expense		
30		6540	Access Expense		
31		6560	Depreciation and Amortization Expense		
32		6610	Marketing		
33		6620	Services		
34		6710	Executive and Planning		
35		6720	General and Administrative		
36		6790	Provision for Uncollectible Notes Receivable		
37			Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)		
38		7100	Other Operating Income and Expense		
39	<u> </u>	7200	Operating Taxes		
40	<u></u>		Net Operating Income (L.17-L.37+L.38-L.39)		

[^] Subaccount of the account marked with a *.

Total State Basis--Under 5,000 Access lines

		N	Montana Intrastate Regulated Income Stateme	ent	Year: 2002
Line		Acct.		This	Last
No.		No.	Description	Year	Year
110.		(a)	(b)	(c)	(d)
1			REVENUES:		
2		5000	Basic Local Service Revenues	161,841	161,471
3		5080	Network Access Revenues	314,901	354,468
4	*	5100	Long Distance Message Revenue	ŕ	,
5	^	5110	Unidirectional Long Distance Revenue		
6	^	5120	Long Distance Private Network Revenue		
7	^	5160	Other Long Distance Revenue		
8	^	5169	Other Long Distance Revenue Settlements		
9	*	5200	Miscellaneous Revenue	31,858	19,984
10	^	5230	Directory Revenue	,	12,201
11	^	5240	Rent Revenue		
12	^	5250	Corporate Operations Revenue		
13	^	5260	Miscellaneous Revenue		
14	^	5270	Carrier Billing and Collection Revenue		
15	^	5280	Nonregulated Revenue		
16		5300	Uncollectible Revenue	2,963	2,635
17			Total Revenues (L.2+L.3+L.4+L.9-L.16)	505,637	533,288
18			OPERATING EXPENSES:		
19		6110	Network Support Expense	13,291	13,524
20		6120	General Support Expense	17,914	9,421
21		6210	Central Office Switching Expense	59,003	68,912
22		6220	Operator Systems Expense	·	,-
23		6230	Central Office Transmission Expense		
24		6310	Information Origination/Termination Expense		
25	*	6410	Cable and Wire Facilities Expense	73,733	73,713
26	^	6431	Aerial Wire Expense		,,,,,
27	^	6441	Conduit Systems Expense		
28		6510	Other Property, Plant & Equipment Expense	65,943	47,358
29		6530	Network Operations Expense	66,488	74,373
30		6540	Access Expense	3,600	3,600
31		6560	Depreciation and Amortization Expense	166,632	171,576
32		6610	Marketing	,	2, 2,2,70
33		6620	Services	113,159	87,324
34		6710	Executive and Planning	16,517	14,799
35		6720	General and Administrative	263,909	262,687
36		6790	Provision for Uncollectible Notes Receivable		202,007
37			Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	860,190	827,287
38		7100	Other Operating Income and Expense		
39		7200	Operating Taxes	55,079	76,353
40			Net Operating Income (L.17-L.37+L.38-L.39)	(409,633)	(370,352)

[^] Subaccount of the account marked with a *.

Average Rate Base - Total State

Line	Acct.		This	Last
No.	No.	Description	Year	Year
NO.	(a)	(b)	(c)	(d)
1	2001	Telecommunications Plant in Service	2,667,046	2,487,704
2	3100	Accumulated Depreciation	1,626,136	1,457,580
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies		
6	4340	Noncurrent Deferred Operating Income Taxes		
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)	and the state of t	
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)	1,040,910	1,030,124

NOT REQUIRED - WE HAVE LESS THAN 5,000 ACCESS LINES

Average Rate Base - Intrastate

Line	Acct.		This	Last
No.	No.	Description	Year	Year
140.	(a)	(b)	(c)	(d)
1	2001	Telecommunications Plant in Service		
2	3100	Accumulated Depreciation		
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies		
6	4340	Noncurrent Deferred Operating Income Taxes		
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)		
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)		

NOT REQUIRED - WE HAVE LESS THAN 5,000 ACCESS LINES

Average Rate Base - Regulated Intrastate

Line	Acct.		This	Last
No.	No.	Description	Year	Year
140.	(a)	(b)	(c)	(d)
1	2001	Telecommunications Plant in Service		
2	3100	Accumulated Depreciation		
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies		
6	4340	Noncurrent Deferred Operating Income Taxes		
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)		
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)		

Year: 2002

	Statement of Cash Flows		Year: 2002
Line	Item Description	Amount	Amount
No.	(a)	(b)	(c)
1	Increase/(decrease) in Cash & Cash Equivalents		(29,717)
2	Cash Flows from Operating Activities:		, ,
3	Net Income		126,284
4	Reconciliation Adjustments:		,
5	Depreciation & Amortization	167,033	
6	Provision for Accounts Receivable Losses		
7	Deferred Income Taxes - Net		
8	Unamortized Investment Tax Credits (ITCs) - Net		
9	Allowance for Funds Used During Construction (AFUDC)		
10	Change in Operating Receivables - Net	(3,643)	
11	Change in Materials, Supplies & Inventories - Net	125	
12	Change in Operating Payables & Accrued Liabilities - Net	(43,217)	
13	Change in Other Assets & Deferred Credits - Net	(18,647)	
14	Change in Other Liabilities & Deferred Credits - Net	(16,428)	
15	Other (explained on back of this page) Subscriber deposits	444	
16	Total Adjustments		85,667
17	Net Cash Provided by/(Used in) Operating Activities		211,951
18	Cash Inflows/Outflows From Investing Activities:		
19	Construction/Acquisition of Property, Plant & Equipment (net of	(178,556)	
20	AFUDC & Capital Lease Related Acquisitions)		
21	Proceeds from Disposals of Property, Plant & Equipment		
22	Investments In & Advances to Affiliates		
23	Proceeds from Repayment of Advances		
24	Other Investing Activities (explained on this page) Investments	(1,612)	
25	Net Cash Provided by/(Used in) Investing Activities		(180,168)
26	Cash Flows from Financing Activities:		
27	Net Incr./(Decr.) in Short-Term Debt, Original maturity < = 3 mo.		
28	Advances from Affiliates		
29	Repayment of Advances from Affiliates		
30	Proceeds from Issuances of Long-Term Debt		
31	Repayment of Long-Term Debt	(50,000)	
32	Payment of Capital Lease Obligations		
33	Proceeds from Issuing Common Stock/Parent Co. Equity Investment		
34	Repurchase of Treasury Shares		
35	Dividends Paid	(11,500)	
36	Other Financing Activities (explained on back of this page)		
37	Net Cash Provided by Financing Activities		(61,500)
38	Effect of Exchange Rate Changes on Cash		
39	Net Increase/(Decrease) in Cash & Cash Equivalents		(29,717)
40	Cash & Cash Equivalents at Beginning of Period		426,798
41	Cash & Cash Equivalents at End of Period		397,081

Company Name: Hot Springs Telephone Co.

DOES NOT APPLY

Company Comp				יייייי	, ;		; ;	R . ARACO	,		^	Voor. 2002
Name of Temporary Account 1160 Account 1170				Receivable		ments-Affi	liated & Non	affiliated (ompanies		זכ	al. 2002
Name of Temporary Telecom Accts Rec. Other Accounts			Account 1160	Account 1180	Account 1181	Account 1190	Account 1191	Account 1200	Account 1201	Account 1210	Account 1401	Account 1402
Mame of Temporary Accounts Telebrom Accounts Receivable Dividends in Affiliate or Companies or C				Telecom.	Accts. Rec.	Other	Accounts		Notes	Interest and	Investments	Investments
Affiliate or Company Investments Receivable Allowance Receivable Allowance (e) (d) (g) (h) (f) (g) (h) (g) (g) (g) (g) (g) (g) (g) (g) (g) (g	Line		Temporary	Accounts	Telecom.	Accounts	Receivable	Notes	Receivable	Dividends	in Affil.	in Nonaffil.
(d) (e) (f) (f) (f) (f) (f) (f) (f) (f) (f) (f	S No		Investments	Receivable	Allowance	Receivable	Allow Other	Receivable	Allowance	Receivable	Companies	Companies
		(a)	(p)	(c)	(p)	(e)	(j)	(g)	(h)	(i)	9	(K)
									MARGO SATURNI DO CAL			o de la composición dela composición de la composición de la composición dela composición dela composición dela composición de la composición de la composición de la composición dela composición de la composición dela c
	7							- House of	- servene en			econy), making
	3											un personal
	4					, t			Charles Christoph			
	8								***************************************			
	9			ino					end-out-out-out-out-out-out-out-out-out-out			
	1								345.444 WA	et de la como		
	۰ ۵							144	elektra versioner in der			**************************************
	0					ome november			nde Materia	dostha		
	, ک					ny and a membrane		· · · · · · · · · · · · · · · · · · ·	dedebedaand		-	Marganiere
	2					essence et a			Hantrui Sal			001800307041
	_			O Producedo				T-(3-10-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1	American de la companya de la compa			TAXON SOLUTION
	12							arran e Lotva fist	andere d'Andrée de			CONSTRUE LA
	13		Alexandria de la composición dela composición de la composición de la composición dela composición dela composición dela composición de la composición de la composición dela composición de la composición de la composición dela composici						egan de kanar dan beloma			
	<u> </u>					t to the second			noch den men (b)		**************************************	са Волабоч (по
	15								era recadad			
	16							achtif e <i>iriche</i> rter	Te ford our discussion		y dwara tasaa	- V
	17					economic di mane			ikhano wa wekan	West-state		
	18							e nec h ionis w	hk pracina sitel			
	19								al Physical American	7,000		
	20								rho V den Eur CED del			
	21								ini antronione	жукана	200	P
	22			DOMAN SAND SAND			-	- + stand	Mi t	у нестофия		
	23				returning to			il Govern Place	Konvêrone	THE STATE OF THE S	mercus announced	REF OF CHILD
	24		en e					i vec en cita seu de s		and the second	and the second s	OTHER MANAGEMENT
	25		Sect Microbio					of en country	and the second		дами сто о ра	
	26					New York Province				en Benedicina		Dendoksta
	27					Ministration of the Control of the C						nag karas sabrica
\dashv	87					enomauneo		oconocamos d	powiasznakym	Methodyness & L.		Burrace
	29											un birzitwalernizzania unionizzania zanionizzania zanionizzania zanionizzania zanionizzania zanionizzania zani
	30	Totals										

Company Name: Hot Springs Telephone Co.

				Net Pla	int in Regula	Net Plant in Regulated Service - Detail	etail			Year:2002
				Beginning of Year			Sales &	End of Year Account 2001	Year End Accumulated	End of Year Net Plant
Line	<u>o</u>	Account	Description	Balance	Additions	Retirements	Transfers	Balance	Depreciation	Balance
NO.		(a)	(b)	(c)	(b)	(e)	(t)	(g)	(h)	(i)
		* 2110	Land and Support Assets	604,229	127,172	1	1	731,401	430,217	301,184
2		^ 2111	-							ı
ω		^ 2112	Motor Vehicles							,
4		^ 2113	Aircraft						TO THE PARTY OF TH	ŧ
S		^ 2114								ı
9		^ 2115	Garage Work Equipment							ı
7		^ 2116								ī
∞		^ 2121	Buildings							Ī
6	-	^ 2122	Furniture	·						ı
10		^ 2123	Office Equipment							ı
Ξ		^ 2124	General Purpose Computers							•
12		2211	Analog Electronic Switching			***************************************				1
13		2212	Digital Electronic Switching	400,507	28,134			428,641	215,482	213,159
14		2215	Electro-Mechanical Switching					ı		1
15		2220						ı		1
91		2231	Radio Systems	239,444	13,009		786	253,239	111,872	141,367
17		2232	Circuit Equipment	16,238				16,238	15,534	704
18	*			100,647		ı	1	100,647	66,620	34,027
19		^ 2311	Station Apparatus					ī		ı
20		^ 2321	Customer Premises Wiring					ı		ı
21		^ 2341	Large Private Branch Exchanges		200 20 VIII 10			I		t
22	-							ı		ı
23		^ 2362	Other Terminal Equipment					ı		1
24				6,097	•			760,6	5,324	3,773
25	· ^-			1,117,542	10,241	1	ı	1,127,783	781,087	346,696
76	,	^ 2421	Aerial Cable	_P /2004						8
27	-	^ 2422								1
28	···	^ 2423	Buried Cable	**************************************						1
29	`	^ 2424	Submarine Cable		1,000					ı
30		^ 2425	Deep Sea Cable							ı
31		^ 2426	Intrabuilding Network Cable	V 2 4.00*						ı
32		2431	Aerial Wire							8
33		2441	Conduit Systems							
34			Totals	2,487,704	178,556	ı	786	2,667,046	1,626,136	1,040,910
S <	uba	ccount of	Subaccount of the account marked with a *.							PAGE 12

Co.
Telephone
Springs
Hot
Name:
Company

07		t			
Year: 2002	Book Cost of	Property	at End of Year (g)		
	Transfers and	Adjustments	Charges and (Credits) (f)		
	Retirements	During	the Year (e)		
Future Use		Additions During	the Year (d)		
of Plant Held for Future Use	Book Cost of	Property at	Beginning of Year (c)		
Analysis	Date	Included in	Account 2002 (b)		
			Location and Description of Property (a)	NONE	Totals (Sum L.1 to L.29)
		Line	No.	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	30
İ					Ш

Company Name: Hot Springs Telephone Co.

Year: 2002	Total Cost		%00%	8.00%			***************************************		at an													- MINARY	***************************************					•		8.00%
Yea	Amortization of Premium	or Discount	(V)																	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,										
	Annual	Net Cost	000 9	4,000																										10,000
	Yield to	Maturity	E) '	1															•											
•	Outstanding Per Balance	Sheet	75 000	50,000																										125,000
erm Deb	Net	Per \$100	(8)	1																									en e	
of Long T	Net	Proceeds		1																										1
Average Cost of Long Term Debt	Gross	Proceeds	(e)																											
Ave	Principal	Amount	(a)	50,000					***************************************	***************************************										-										125,000
	Maturity	Date	(C)	Jan-04 Jan-06														- 42								•				
	SSIIE	Date	(0)	Jan-92	*****	•																								
		Description	(a)	Demand Note																										Total
		Line No.	_		3	4	2	9	7	∞ ∘	λ ;	10	=	12	13	4	15	16	17	18	19	20	7	22	27	† ′′	26	27	28	30

Company Name: Hot Springs Telephone Co.

DOES NOT APPLY

Vear: 2002		Embedded Cost	(1)		
		Annual	(k)		
		Principal Outstanding	(j)		
		Cost of Money	(i)		
	Net	Proceeds Per \$100	(h)		
Stock	Net	Proceeds Amounts	(g)		
Cost of Preferred Stock	Gross	Proceeds Amounts	(f)		
Cost of		Par Value Of Issue			
	Call	Redemption Price	(p)		
	٦	of Offering			
		Date of Issuance	(q)		
		Description	(a)		Totals (Sum L.1 to L.29)
		Line	Ö	1	\vdash

Company Name: Hot Springs Telephone Co.

	1 Stock		Retention
	Analysis of Common Stock		Dividends
ANY	Analys		Farnings
TOTAL COMPANY		Book	Value
		Avg. Number	of Shares

Vear: 2002	Price/	Earnings	Ratio	(i)							ollo.							WWW.		опомительной							
	eroce no ron	<u>ш</u>	ittir——	-1-0				***********	MARCH SECTION AND ADDRESS OF THE PARTY OF TH			- Mirror K elm	en e	·	omino cunt	WWG+W-+	***************************************		······································	CONTRACTOR OF THE STATE OF THE		······································	de namen y server (name	a de la composição de la c	Market Wartename		**************************************
	ય		Low	(h)																							
	Market	Price	High	(g)																							
n Stock		Retention	Ratio	(f)								NOT REQUIRED - WE HAVE LESS THAN 5,000 ACCESS LINES			ann an scom-anna	HOW.	a de la como	phonoconomic and the second	annical drawny	100 min				organismos	A COMPANY OF THE PARTY OF THE P		
Analysis of Common Stock		Dividends	(per share)	(e)		200			· ·			ESS THAN 5,000								- The second sec					no management of the first		
Analy		Earnings	(per share)	(p)			Safetivite .			***************************************	***	D - WE HAVE I	***	*******		engo namana	200	No. in constant			No + Marco	~~~	***************************************			·	
		Value	(per share)	(၁)		Mc decidence de company			·			NOT REQUIRE	To mindray		THE STREET, MADE	00000							o Messanta			X (************************************	
	Avg. Number	of Shares	Outstanding	(Q)		·	de ago								NAA-Turkiskissi			***************************************			and an order of the first of th	· · · · · · · · · · · · · · · · · · ·			**************************************		·
				(a)	Year Ended December 31:							Month by Month Data:	January	February	March	April	May	June	July	August	September	October	November	December			
		, ,	No.	S	_	7	8	4	2	9	7	∞	6	2	hannel ferren(12	13	7	15	91	7	18	19	20	21	22	23

(ne Co.
-	: Hot Springs lelephone C
	e: Hot spr
	Company Name:
(j

		Capital St	ock and Funded	Debt Reacquired	Capital Stock and Funded Debt Reacquired or Retired During the Year	the Vear	Year: 2002
		Call or	Number		Reaquisition	Gain	Retirement
Line		Retirement	Jo.	Principal	or Retirement	or	or
No.	Description	Date	Shares	Amount	Cost	(Loss)	Keaquisition
	(a)	(g)	(c)	(p)	(e)	(I)	(8)
	ExCIA						
7 ~	INONE						
n 4							
- ·			•				
9							
7							
6							
10							
12							
13							
7							
15							
16							
17							
18							
19							×
20							
21							
22							
23							
24							
25							
26							
27					Act and the property of the second		,
87							
67			MACHEN AND THE PROPERTY OF THE			motoristy in management of the control of the contr	
30	Totals (Sum L.1 to L.29)						

Page 1 of 2

Company Name: Hot Springs Telephone Co. NOT REQUIRED - WE HAVE LESS THAN 5,000 ACCESS LINES

Line Acct. Description Solaries Cother No. (a) (b) (c) (d) (d) 1 * (ii) Mework Support Expense (c) (d) (e) (f) 2 * (iii) Mework Support Expense (e) (d) (e) (f) 3 * (iii) Mework Support Expense (e) (d) (e) (f) 4 * (iii) Mework Equipment Expense (e) (f) (d) (g) (f) 5 * (iii) Other Work Equipment Expense (e) (f) (d) (e) (f) 6 * (iii) Other Work Equipment Expense (e) (f) (f) (f) (f) (f) (f) (g) (g)				Total Company Expense Mati	Total Company Expense Matrix	Expense Mat				Year: 2002
No. No. No. Description and Wages Benefits Rents			Acct.		Salaries			Other		
1	rin —	۵	No.	Description	and Wages	Benefits	Rents	Expenses	Clearances	Total
1	o Ž		(a)	(q)	(c)	(p)	(e)	(t)	(g)	(h)
2		*	<u> </u>	Network Support Expense						· · · · · · · · · · · · · · · · · · ·
3	2	<		Motor Vehicle Expense	10000					
4	3	<		Aircraft Expense						
5	4	<		Special Purpose Vehicles Expense						
6	5	<		Garage Work Equipment Expense				e de la companya de		
7 * 6120 8	9	<		Other Work Equipment Expense						
8	7	*		General Support Expense				us montos e		
9	∞	<		Land and Building Expense				Overtice to the control of the contr		
10	6	<		Furniture and Artworks Expense	-	Tools			S	
111	10	<		Office Equipment Expense						***************************************
12	11	<		General Purpose Computers Expense						***************************************
113	12	*		Central Office Switching Expense						
14	13	<		Analog Electronic Expense						
15	14	<		Digital Electronic Expense						
16	15	<		Electro-Mechanical Expense						
17	16		6220	Operator Systems Expense	dive-					
18	17	*	6230	Central Office Transmission Expense						
19	18	<	6231	Radio Systems Expense						
20	119	<	6232	Circuit Equipment Expense						
21	20	*	6310	Information Origination/Termination Expense				EX-TAGGET		***************************************
22	21	<	6311	Station Apparatus Expense						
23	22	<	6341	Large Private Branch Exchange Expense						
24	23	<	6351	Public Telephone Terminal Equipment Exp.						
25 * 6410 C 26	24	<	6362	Other Terminal Equipment Expense						
26	25	*	6410	Cable and Wire Facilities Expense						
27	26	<	6411	Poles Expense						
28	27	<	6421	Aerial Cable Expense						
29	28	<	6422	Underground Cable Expense						
30	29	<	6423	Buried Cable Expense						
31	30	<	6424	Submarine Cable Expense						
32	31	<	6425	Deep Sea Cable Expense						
	32	<	6426	Intrabuilding Network Cable Expense						
	33	<	6431	Aerial Wire Expense						
	34			Subtotals						
		paccor	unt of the	account marked with a *.						PAGE 18

Company Name: Hot Springs Telephone Co.

NOT REQUIRED - WE HAVE LESS THAN 5,000 ACCESS LINES

SCHEDULE 17
Page 2 of 2

				Total Company Expense Matrix	Expense Mat	×			Vear: 2002
Line	Ĺ	Acct.		Salaries			Other		
Ŋ.	***	No.	Description	and Wages	Benefits	Rents	Expenses	Clearances	Total
		(a)	(q)	(3)	(p)	(e)	(f)	(g)	(h)
35	<	6441	Conduit Systems Expense		Metroconic		·		
36	Contract	6510	Other Property Expenses				***************************************		
37	*	6530	Network Operations Expense						
38	<	6531	Power Expense						
39		6532	Network Administration Expense				TOMANUM		
9		6533	Testing Expense						
41	<	6534	Plant Operations Expense		o handarda				
42	<	6535	Engineering Expense						
43		6540	Access Expense				· · · · · · · · · · · · · · · · · · ·	O CONTRACTOR OF THE CONTRACTOR	
44		6561	Depreciation - Telecomm. Plant in Service						
45		6562	Depreciation-Prop. for Future Telecom. Use				noreh wom	- Control of the Cont	
46		6563	Amortization Expense - Tangible						
47		6564	Amortization Expense - Intangible						
48		6565	Amortization - Other						
49	*	6610	Marketing						
50	<	1199	Product Management						
51	*****	6612	Sales		i de su de su de lla constante de la constant		· · · · · · · · · · · · · · · · · · ·		
52	<	6613	Product Advertising						
53	••	6621	Call Completion Services		THE POPULATION OF THE POPULATI				
54		6622	Number Services						
55		6623	Customer Services		vonegoden ik dovete				
99		6711	Executive		***************************************			eti kolunia Boa	
57		6712	Planning						
58		6721	Accounting and Finance						
59		6722	External Relations						
99		6723	Human Relations		econologicos de la conocida de la co				
61		6724	Information Management	tordenid france	***************************************			Militaria de la compania de la compa	
62		6725	Legal						
63		6726	Procurement	eserconnec			1. T.		
64	~	6727	Research and Development						
65		6728	Other General and Administrative						
99)	6790	Provision for Uncollectible Notes Receivable						
1.9			Totals						
,		-	AND THE PROPERTY OF THE PROPER		The state of the s		The state of the s	and the second s	CONTRACTOR OF THE PROPERTY OF

Subaccount of the account marked with a *.

Page 1 of 2

Company Name: Hot Springs Telephone Co.

NOT REQUIRED - WE HAVE LESS THAN 5,000 ACCESS LINES

				Total State Ex	Total State Expense Matrix				Year: 2002
Line		Acct.		Salaries			Other		
N N		No.	Description	and Wages	Benefits	Rents	Expenses	Clearances	Total
		(a)	(q)	(0)	(b)	(e)	(t)	(g)	(h)
	*	6110	Network Support Expense						Control States
7	<	6112	Motor Vehicle Expense						
ω.	<	6113	Aircraft Expense						Accessory of the Control of the Cont
4	<	6114	Special Purpose Vehicles Expense						В Розромно
S	<	6115	Garage Work Equipment Expense		- v. v. v. s. s				i Privita de La como de
9	<	9119	Other Work Equipment Expense	2	***************************************				
7	*	6120	General Support Expense						
∞	<	6121	Land and Building Expense	anger operanon				***************************************	93.026.45
6	<	6122	Furniture and Artworks Expense						Post Control of the C
10	<	6123	Office Equipment Expense						
=	<	6124	General Purpose Computers Expense						
12	*	6210	Central Office Switching Expense		· · · · · · · · · · · · · · · · · · ·				**************************************
13	<	6211	Analog Electronic Expense		e nome y				
1	<	6212	Digital Electronic Expense						
15	<	6215	Electro-Mechanical Expense						
91		6220	Operator Systems Expense					ann a chaolaigeach	989-3-7-589-40 940
17	*	6230	Central Office Transmission Expense						PODE CHANNEL W
18	<	6231	Radio Systems Expense	(, 1			WAT NOTE AND
19	<	6232	Circuit Equipment Expense	and the second					
70	*	6310	Information Origination/Termination Expense		W				rango cana calgan
21	<	6311	Station Apparatus Expense	***************************************	an work riden				
22	<	6341	Large Private Branch Exchange Expense		non construction				
23	<	6351	Public Telephone Terminal Equipment Exp.						
24	<	6362	Other Terminal Equipment Expense						***************************************
25	*	6410	Cable and Wire Facilities Expense						
26	<	6411	Poles Expense						
27	<	6421	Aerial Cable Expense						
28	<	6422	Underground Cable Expense					34 A 2000	**************************************
29	<	6423	Buried Cable Expense						
30	<	6424	Submarine Cable Expense	озилочни			TO THE TO		
3	<	6425	Deep Sea Cable Expense						va i novije ji
32	<	6426	Intrabuilding Network Cable Expense		Float von				
33	<	6431	Aerial Wire Expense						
34			Subtotals						
^ Suba	noooı	nt of the a	Subaccount of the account marked with a *.						PAGE 20

Company Name: Hot Springs Telephone Co.

:) }		NOT REQUIRED - WE HAVE LESS THAN 5,000 ACCESS LINES	ESS THAN 5,000	O ACCESS LINE	δĬ			Page 2 of 2
		те тейтер теревер теревер теревер теревер теревер теревер те		Total State E	Total State Expense Matrix	×			Vear: 2002
Line	**************************************	Acct.		Salaries			Other		
No		No.	Description	and Wages	Benefits	Rents	Expenses	Clearances	Total
	_	(a)	(a)	(c)	(b)	(e)	(t)	(8)	(h)
35	<		Conduit Systems Expense						
36		6510	Other Property Expenses		HI-74	man and a second	ehanayan,		
37	*	6530	Network Operations Expense			200 200			
38	<	6531	Power Expense		etableme.co				
39	<	6532	Network Administration Expense			NO SCHOOL HOUSE	○38 ENOUGE. ■	• • • • • • • • • • • • • • • • • • •	
40	<	6533	Testing Expense						
4	<	6534	Plant Operations Expense		90/dt.xx===0				
42	<	6535	Engineering Expense				onto managene	***************************************	
43	*******	6540	Access Expense				T. T. S. T. S.		
44		6561	Depreciation - Telecomm. Plant in Service						
45		6562	Depreciation-Prop. for Future Telecom. Use						
46		6563	Amortization Expense - Tangible						
47		6564	Amortization Expense - Intangible					tropograma.	
48		6565	Amortization - Other						
49	*	6610	Marketing						
50	<	1199	Product Management						
51	<	6612	Sales					,,,,,	
52	<	6613	Product Advertising						
53		6621	Call Completion Services						
54		6622	Number Services	000 DQ444444					
55		6623	Customer Services				COUNTY SANSANIAN		
26		6711	Executive				Walds American		
57		6712	Planning						
58		6721	Accounting and Finance						
59		6722	External Relations						
99		6723	Human Relations						
61		6724	Information Management				any can		· · · · · · · · · · · · · · · · · · ·
62	~~~~	6725	Legal				Week and the second		Market viscous
63		6726	Procurement						
64		6727	Research and Development					and the second	
65		6728	Other General and Administrative						
99		6790	Provision for Uncollectible Notes Receivable						
29									CONTROL OF THE PROPERTY OF THE

^ Subaccount of the account marked with a *.

Pension Costs

Year: 2002 Plan Name Hot Springs Telephone Co. Profit Sharing Pension Plan 2 Defined Benefit Plan? No Defined Contribution Plan? 3 Actuarial Cost Method? N/A IRS Code: 401 4 Annual Contribution by Employer: Based on Profits Is the Plan Over Funded? No Item Current Year Last Year % Change 6 Change in Benefit Obligation N/A N/A 7 Benefit obligation at beginning of year 8 Service cost 9 Interest Cost 10 Plan participants' contributions 11 Amendments 12 Actuarial Gain 13 Acquisition 14 Benefits paid 15 Benefit obligation at end of year 16 Change in Plan Assets 17 Fair value of plan assets at beginning of year 479,234 410,121 16.85% 18 Actual return on plan assets 7,784 13,385 -41.85% 19 Acquisition 20 Employer contribution 62,116 55,728 11.46% 21 Plan participants' contributions 22 Benefits paid 23 Fair value of plan assets at end of year 549,134 479,234 14.59% 24 Funded Status N/A N/A 25 Unrecognized net actuarial loss 26 Unrecognized prior service cost 27 Prepaid (accrued) benefit cost 28 29 Weighted-average Assumptions as of Year End N/A N/A 30 Discount rate 31 Expected return on plan assets 32 Rate of compensation increase 34 Components of Net Periodic Benefit Costs N/A N/A 35 Service cost 36 Interest cost 37 Expected return on plan assets 38 Amortization of prior service cost 39 Recognized net actuarial loss 40 Net periodic benefit cost 41 42 Montana Intrastate Costs: N/A N/A 43 **Pension Costs** 44 Pension Costs Capitalized Accumulated Pension Asset (Liability) at Year End 46 Number of Company Employees: 47 Covered by the Plan 9 9 48 Not Covered by the Plan 6 3 -50.00% 49 Active 9 9 50 Retired 0 0 51 **Deferred Vested Terminated** 0 0

Company Name: Hot Springs Telephone Co.

SCHEDULE 21
Page 1

Page 1 Year: 2002

Payments for Services to Persons Other Than Employees

Name of Recipient Service Company State Cost C		1	TO A CESORIS OFFICE FIRE	HAR EZHIPIOYCCS		i cai. 2002
Line Name of Recipient Recipient Service (a) (b) (c) (d) (e) (e) (e) (e) (e) (e) (e) (e) (e) (e				Total	Total	
No. Recipient Service Cost Co	Line	Name of	Nature of	Company		Intrastate
(a) (b) (c) (d) (e) (1) (2) (3) (4) (5) (6) (7) (8) (7) (8) (8) (8) (8) (8) (8) (8) (8) (8) (8		Recipient		Cost	Cost	Cost
NONE		(a)	(b)	(c)		(e)
3						
4	2	NONE				
5 6 7 7 8 9 9 10 11 11 12 12 13 14 14 15 15 16 17 18 19 9 19 20 21 22 22 23 24 25 26 27 28 29 30 30 31 32 33 34 35 36 37 38 39 39 40 40 41 42 42 43 44 44 44 44 44 44 44 44 44 44 44 44						
6 7 8 9 9 1 10 111 12 13 14 14 15 16 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 34 35 36 37 38 39 40 40 41 42 42 43 44 44 45 46 47 48						
7 8 9 9 10 10 111 12 13 14 15 16 16 17 18 19 19 20 21 22 23 24 25 26 27 28 29 30 31 32 28 29 30 31 32 33 34 35 36 37 38 39 40 40 41 42 43 44 44 45 46 46 47 48						***************************************
8 9 10 11 11 12 13 14 15 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 31 32 28 29 30 31 31 32 33 34 43 44 45 46 47 48						ADDRESS OF THE PROPERTY OF THE
9 10 11 12 13 14 15 16 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 31 32 33 34 35 36 37 38 39 40 40 41 42 43 44 44 45 46 47 48						
10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 31 32 33 34 35 36 37 38 39 40 41 41 42 43 44 44 45 46 47 48		j				
11						
12	10			COTTON CONTRACTOR CONT		
13						
13						
14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 48 48 48	13					
15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48	14					
16	15					
18 19 20 21 22 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48	16					
19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 42 43 44 45 46 47 48	17					
20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48						
21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 44 45 46 47 48						
22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 42 43 44 45 46 46 47 48						
23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 41 42 43 44 45 46 47 48	21					
24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48	22					
25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48	23					
26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 44 45 46 47 48						
27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48						
28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48						
29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 44 45 46 47 48						
30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 44 45 46 47 48	28					
31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48						
32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48						
33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48				A CONTRACTOR OF THE CONTRACTOR		200 mg
34 35 36 37 38 39 40 41 42 43 44 45 46 47 48						
35 36 37 38 39 40 41 42 43 44 45 46 47 48						
36 37 38 39 40 41 42 43 44 45 46 47 48						
37 38 39 40 41 42 43 44 45 46 47 48						
38 39 40 41 42 43 44 45 46 47 48						
39 40 41 42 43 44 45 46 47 48						
40 41 42 43 44 45 46 47 48						
41 42 43 44 45 46 47 48						
42 43 44 45 46 47 48						
43 44 45 46 47 48						
44 45 46 47 48						
45 46 47 48						
46 47 48						
47 48						
48						
†2 LUIAI		Fotol				:
	47	a Otal				

	Subscriber Line Us	age Data		Y	Year: 2002
Line		This	% of	Last	% of
No.	Description	Year	Total	Year	Total
	(a)	(b)	(c)	(d)	(e)
1	Toll Usage:				
2	Interstate, InterLATA	2,372,118	19.94%	2,556,670	24.26%
3	Interstate, IntraLATA		0%	o '	0%
	·			· ·	0.5
4	Total Interstate Usage	2,372,118	19.94%	2,556,670	24.26%
5	Intrastate, InterLATA	171,584	1.44%	152,256	1.44%
6	Intrastate, IntraLATA	2,825,024	23.75%	2,054,978	19.50%
	'	_, ,	20,700	2,001,070	13,300
7	Total Intrastate Usage	2,996,608	25.19%	2,207,234	20.94%
8	Total Toll Usage	5,368,726	45.14%	4,763,904	45.20%
9	Centrex	0	0%	0	0%
10	Local	6,525,856	54.86%	5,776,477	54.80%
11	Total Minutes	11,894,582	100.00%	10,540,381	100.00%

SCHEDULE 23
Page 1 of

ું
Telephone (
Hot Springs
Hot
Name:
ompany

2002	Total	Access	Lines	(n)	373	424	797	PAGE 27
Year.	Jo %	Lines w/	T. Tone	(m)	100.0%	100.0%	The second secon	
			Other	(E)				
	Company	Owned	Coin	(K)	5	9	П	
	Customer	Owned	Coin	(j)	1	0		
stics	Multi-	Line	Business	(i)	47	31	78	
ne Stati	Single	Line	Business	(h)	39	23.	62	
ccess Li	Residential	LMS	Customers	(g)				
Cental Office and Access Line Statistics		Lifeline	Customers	(£)	35	C ^A	64	
tal Office		ADSL		(e)	01	6	19	invenience.
Cen		ISDN	ж орижко	(g)				for your cc
		Residential		<u></u>	236	326	562	ng provided
		Type of	Office	<u>@</u>	Digital	Digital		ules are beir
			Wire Center	(a)	Urban	Rural	Total	NOTE: Additional blank schedules are being provided for your convenience.
		Line	No.			2	33 T	NOTE

Page 1 of

Central Office and Switch Information

	Cen	tral Office and Sy	vitch Infor	mation			r: 2002
Line No.	Wire Center (a)	Office Configuration (Host, Remote, Stand alone) (b)	Type of Switch (c)	Switch Vendor/ Manufacturer (d)	Switch Model No. (e)	Switch Line Capacity (f)	Year Deployed (g)
1	HOT SPRINGS	STAND ALONE	DIGITAL	SIEMENS	DCO-RNS-	1,080	1999
2 3					SE		
4							
5			ALL DECOMPOSITION OF THE PROPERTY OF THE PROPE				
6 7			Colling	A. B. L. State Co.			
8				PRINCE CONTRACTOR OF THE PRINCE CONTRACTOR OF	**************************************		
9							
10 11					A TANAN AND AND AND AND AND AND AND AND AND		
12							
13					SE SOCIAL DE LA CONTRACTOR DE LA CONTRAC		
14 15							
16	A. A						
17 18						And the second s	
19	recommended to the control of the co		voi		10000		
20	Name of the state						
21 22	Constitution			G-000-00-00-00-00-00-00-00-00-00-00-00-0	C. Transition	SOCIAL	
23							
24 25							
26						South of the state	
27				and the second s			
28 29							
30							
31							
32 33			And the second s				
34							
35 36							
37			AND RECORDS				
38							
39 40							And the second s
41							ELECTRICAL PROPERTY AND ADMINISTRATION OF THE PROPE
42							
43 44							And the second s
45							
46							
47 48							

NOTE: Additional blank schedules are being provided for your convenience.

	Construction Budget - Montana	Year: 20	003
Line No.	Description (a)	2003 (b)	
1	Central Office Assets:	(b)	
2	COE Upgrades	4.	0,000
3	Rural Plant & Cable	1	0,000
4	Town Plant & Cable	l .	0,000
5			
6			
7			
8 9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20 21			
22			
23			
24			
25			
26			
27	Total Switching and Central Office Projects over \$500,000	**************************************	********
28	Miscellaneous Central Office Projects not over \$500,000	90	0,000
29	Total Central Office Budget (Total of Line 27 & Line 28)	90	0,000
30	Other Projects over \$500,000:		
31 32			
33		The state of the s	
34		**ACCULATION OF THE PROPERTY O	
35		D. Landauer and D. Landauer an	
36			
37			
38			
39			
40			
41	Total Other Projects over \$500,000		
42	Miscellaneous projects not over \$500,000 Garage and Equip. Building		0,000
43	Total Construction Budget (Total of Lines 29, 41 & 42)	110	0,000

	Montana Employee Counts		Year: 2002
Line		Beginning	End
No.	Category	of Year	of Year
	(a)	(b)	(c)
	GENERAL MANAGER	1	1
	OFFICE MANAGER	1	1
	COE MAINTENANCE MANAGER & LINEMAN	1	1
	PART TIME OFFICE CLERK	3	2
	ACCOUNTANT & FINANCIAL MANAGER	1	1
	ASSISTANT ACCOUNTANT & PAYROLL CLERK	1	1
	INSTALLATIONS, LINEMEN & CONSTRUCTION WORKERS INTERNET CONSULTANT	3	3
9	INTERNET CONSULTANT	1	1
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22 23			
23			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39 40			
41			
42			
43	Totals (Sum of Lines 1 through 42)	12	11

Proprietary Confidential Information

	Compensation	n of Top 1	0 Mont		Employees	Y	ear: 2002
		-		Pension Plan	,	Total	% Increase
Line	Name/Title	Base	D.	Other	Total	Compensation	Total
No.	(a)	Salary (b)	Bonuses (c)	Compensation (d)	Compensation (e)	Last Year (f)	Compensation
1	JAY W. PRESTON, SR.	(0)	(0)	(u)	(e)	(1)	(g)
	GENERAL MANAGER						None
2	CANDDA M. DDONGIJA						
2	SANDRA M. PRONGUA OFFICE MANAGER						
	OFFICE WINIVAGER						
3	PHYLLIS O. EKBLAD						
	ACCOUNTANT &		_				
	FINANCIAL MGR		P	roprietary Cor	<u>ıfidential İnfoi</u> 	<u>rmation</u>	
4	WILLIAM G. JOHNSON						
	ASSIST. ACCOUNT.						
	& PAYROLL MGR						
_	I ALIDENCE C MAI CITIL						
5	LAURENCE S. WALCHUK COE MANAGER &						
	LINEMAN						
6	JOSEPH L. WALCHUCK						
	INSTALLATION, LINEMAN & CONST.						
	LINEMAN & CONST.				November (State)		
7	JANET L BRAS						
	OFFICE CLERK						
8	LAWRENCE E. PABLO						
	INSTALLER, LINE-						
	MAN & CONST.				and the state of t		
	D10111 DD 111 11 21 22 2					**************************************	
9	RICHARD W. JACKSON INSTALLER, LINE-			MARKET PALIFIES			
	MAN & CONST.			COLUMN TO THE PARTY OF THE PART			

10	RICHARD A. ESTERLING						
	INTERNET WORKER						
						And the second s	Editoria de la composição de la composiç
			-			5	
				Agentum was a facility of the		and a second	Name of the Control o
						Company to Assess Company	***************************************
				G.D.D.			
11	Totals (Sum L.1 to L.10)						

Year: 2002

DOES NOT APPLY

Compensation of Top 5 Corporate Employees - SEC Information

	Compensation of 10	h 2 Coi ha	HERE THEF	noyees - or	IN RUBERT OF THE	CREATER	
						Total	% Increase
		Base		Other	Total	Compensation	Total
Line	3.T //35'.1	Dasc				Compensation	Iotai
No.	Name/Title	Salary	Bonuses	Compensation		Last Year	Compensation
140.	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1			Committee to the second description of the second second			minimizer and the second section of the section of	**************************************
	ALTA CARA						
	nanci Civa						
2							
2.							
3							
		å					
		and the same of th			- Constitution		
4		al account					
		l			MILL AND AND AND AND AND AND AND AND AND AND		
					ALL STATES		
				The state of the s			
	To the same of the				RATING OF THE PROPERTY OF THE		
5							
					superior and a superi		
				NA COLOR			
				900			
				194			
				Service Control of the	100 100 100 100 100 100 100 100 100 100		
					The state of the s		
						C30000045	
						1000	
1				Document			
	and the same of th						
	The real of the second						
					1		
							1
-		•					
	Topic and the second se			1		No.	1
	:						
	-						
	To the state of th						1
	and the state of t						1
1							
1							
	La-Date company						
	eronisma.						
	-		DALLAMAN				
			NO.				
6	Totale (Sum I 1 to I 5)				1	1	
<u>U</u>	Totals (Sum L.1 to L.5)		<u> </u>	<u> </u>	1	<u> </u>	DA CIT 22

		Montana Composite Statistics	Year: 2002
Line	Account		
No.	No.	Description	Amount
140.		(a)	(b)
1		Plant (Intrastate Only) (000 Omitted)	
2	2001	Plant in Service	2,671
3	2003 - 2004	Construction Work in Progress	Í
4	2005	Plant Acquisition Adjustments	
5	2002	Plant Held for Future Use	
6	1220	Materials & Supplies	
7		(Less):	
8	3100 - 3400	Depreciation & Amortization Reserves	(1,626)
9	4360.2	Contributions in Aid of Construction	(4)
10		NET BOOK COSTS	1,041
11		Revenues & Expenses (Intrastate Only) (000 Omitted)	
12	5000 - 5300	Operating Revenues	506
13	6560	Depreciation & Amortization Expenses	167
14		Federal & State Income Taxes	23
15		Other Taxes	32
16		Other Operating Expenses	694
17		TOTAL Operating Expenses	916
18		Net Operating Income	(410)
19		Other Income	676
20		Other Deductions	140
21		NET INCOME	126
22		Access Lines in Service (Intrastate Only)	
23		Residential Access Lines	645
24		Business Access Lines	140
25		PBX Access Lines	140
26		Other Access Lines	12
27		Total Number of Access Lines	797
28	***************************************	Average Number of Calls Per Access Line	
29		Local Calls	1,365
30		Toll Calls (Intra- or Interstate)	1,363
31		Total Number of Calls Per Access Line	2,487
		(Total of Line 29 & Line 30)	2,407
32		Other Statistics (Intrastate Only)	
33		Average Residential Monthly Bill	30
34		Gross Plant Investment per Access Line	3,347
		r	

Depreciation - Montana Intrastate Regulated Year: 2002

· · · · · ·		Topi Clation - Ivavillana anti astate ne	_	1 car. 2002
			Composite	Total
Line	Acct	Description	Rate	Expense
No.	No.		%	\$
140.	(a)	(b)	(c)	(d)
1	2112	Motor Vehicles	20.0%	14,209
2	2114	Special Purpose Vehicles		
3	2115	Garage Work Equipment		
4	2116	Other work Equipment	20.0%	2,739
5	2121	Buildings	5.0%	9,573
6	2122	Furniture	20.0%	674
7	2123.1	Office Support Equipment		
8	2123.2	Company Communications Equipment		
9	2124	General Purpose Computers	20.0%	3,290
10	2211	Analog Electronic Switching Equipment		Í
11	2212	Digital Electronic Switching Equipment	10.0%	48,041
12	2215	Step By Step Switching Equipment		,
13	2215	Crossbar Switching Equipment		
14	2220	Operator System		
15	2231	Radio Systems	10.0%	24,368
16	2232	Circuit DDS		
17	2232	Circuit Digital		
18	2232	Circuit Analog	10.0%	393
19	2351	Public Telephone Terminating Equipment	20.0%	3,3
20	2362	Other Terminal Equipment	10.0%	6,343
21	2411	Poles	10.070	0,5 15
22	2421	Aerial Cable Metallic	10.0%	8,470
23	1	Aerial Cable Nonmetallic	10.070	0,170
24	2422	Underground Cable Metallic		
25	2422	Underground Cable Nonmetallic		
26	2423	Buried Cable Metallic	5.0%	40,131
27	2423	Buried Cable Nonmetallic	5.0%	8,399
28	2424	Submarine Cable Metallic	3.070	0,377
29	2424	Submarine Cable Nonmetallic		
30	2426	Intrabuilding Network Cable Metallic		
31	2426	Intrabuilding Network Cable Nonmetallic		
32	t .	Aerial Wire		
33	1	Conduit Systems		
34	į.	Consult Dystonis		166,632
35	1	COMPOSITE TOTAL	6.36%	100,032
36		TOTAL OBILE IO IAL	1 0,5070	
37	1	Have these rates been approved by the Commission?	VEC V N	iO.
38	1	rrave these rates occur approved by the Commission?	ILO A N	
39	I	If yes: Docket Number	Order Num	har
40	1	11 yes Docket intilities	Order Num	OCI
40	<u> </u>			

	Montana Regulatory Capit	al Structure & (Costs	Year: 2002
Line No.	Description (a)	% Cap. Str. (b)	% Cost Rate (c)	Weighted Cost (d)
	Commission Accepted - Most Recent			
1	Docket Number			
2	Order Number			
3				
4	Common Equity			
1	Preferred Stock			
1 1	Long Term Debt			
7	Other			
8	Total			
9				
10	Actual at Year End			
11				
12	Common Equity	90.70%	12.500%	11.337%
	Preferred Stock			
	Long Term Debt	9.30%	9.000%	0.837%
	Other			
16	Total	100.00%		12.174%

Company Name: Hot Springs Telephone Co.

SCHEDULE 32

Network Access - Charges and Revenues Year: 2002

			10th. 2002
		Access	Access
Line		Charges	Revenues
No.	Description	Paid	Received
110.	(a)	(b)	(c)
1 2	Montana - Total State		425,981
3	Montana - Intrastate		4,914
4			1,211
5	Montana - Intrastate Regulated		314,901
6			ŕ
7			
8			
9			
10 11			
12			
13			

Company Name: Hot Springs Telephone Co. DOES NOT APPLY

SCHEDULE 33

	DOES NOT APPLY	Affiliate Transactions -	Affiliate Transactions - Products & Services Provided to Utility	ovided to Utilit		Year: 2002
Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Utility (d)	% 10tal Affil. Revenues (e)	Charges 10 MT Utility (f)
2						
w 4 r						
0 7						
~ ∞ c						and the second s
9 0						Anna income in overta
<u> </u>						
13:						
21 21						
16						A400CEP + TATE - TATE - TATE - TATE - TATE - TATE - TATE - TATE - TATE - TATE - TATE - TATE - TATE - TATE - TA
18						MAKO PRO-
19						
21					3417 ₄ - 1224 - 1246 -	
23						e and the second
24						***************************************
26						anti-ta aga ke e da maran
28						
\neg	II ♥ [I] € [II]					
_	IOIAL				And the second s	The second secon

Company Name: Hot Springs Telephone Co. DOES NOT APPLY

SCHEDULE 34

		Affliate Transactions -	Affiliate Transactions - Products & Services Provided by Utility	ovided by Utili	ty	Year: 2002
Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Affiliate (d)	% Total Affil. Revenues (e)	Charges to MT Utility (f)
1						
	R Y LL OLL					
	IOIAL				The state of the s	

Montana Intrastate Regulated Earned Rate of Return Year: 2002

	Trontana inti astate regulateu Earneu Rau		Ι (ear: 2002
Line	Description	This	Last	Percent
No.	Rate Base	Year	Year	Change
	(a)	(b)	(c)	(d)
1				
2	2001 Plant in Service	2,667,046	2,487,704	7.21%
3	2002 Prop. Held for Future Telecommunications Use	2,007,040	2,407,704	7.21%
4	3100-3200 (Less) Accumulated Depreciation	(1.636.120)	(1.457.500)	
5		(1,626,136)	(1,457,580)	-11.56%
6		1,040,910	1,030,124	1.05%
7	i e e e e e e e e e e e e e e e e e e e			
i				
8	l subbush			
9	1 Projection		ļ	
10	1 2000			
11	TOTAL Additions		Name of the last o	
12				
13	Deductions			
14	4100 Current Deferred Operating Income Taxes			
15	4320 Unamortized Operating Investment Tax Credits		•	
16	4340 Noncurrent Deferred Operating Income Taxes			
17	Customer Advances for Construction		-	
18	Other Deductions			
19	1		44	
1 1				e e e e e e e e e e e e e e e e e e e
20	TOTAL Rate Base	1,040,910	1,030,124	1.05%
21				
22	Net Earnings	120,614	130,920	-7.87%
23			,	7.0770
24	Rate of Return on Average Rate Base	11.587%	12.709%	-8.83%
25			12.70770	-0.0370
26	Rate of Return on Average Equity	10.042%	11.447%	12.270/
27		10.042/0	11,447/0	-12.27%
28	Major Normalizing Adjustments & Commission	and the second		
29	Ratemaking adjustments to Utility Operations			I
30	A way some to other operations			
31	NT/A			
32	N/A			
33				
1				
34				
35				
36				To Constitute of the Constitut
37				
38				
39			and the state of t	
40			100	
41		Tanken and the same and the sam	- Anna Carlo	
42		No.		
43	Adjusted Data of Datum - A	22 C - 2 C -		
44	Adjusted Rate of Return on Average Rate Base			
45	Adjusted Deter CD 4	The second secon		
+ J	Adjusted Rate of Return on Average Equity			

	Other Taxes Paid		Year: 2002
Line	Description	Last Year	This Year
No.	(a)	(b)	(c)
1	Montana Telephone Company License Tax		
2	Montana Public Service Commission Tax	1,305	1,006
3	Montana Consumer Counsel Tax	390	366
4	911 Emergency Telephone Fee	4,620	4,765
5	Montana Telecommunications Access Service (TDD)	918	945
6	Montana Corporate License Tax	6,545	6,246
7	Personal Property Tax	2,258	2,527
8	Real Property Tax	11,857	13,266
9	Montana State Excise Tax	12,644	13,569
10			
11			
12	Total	40,537	42,690

Company Name: Hot Springs Telephone Co.

SCHEDULE 37

Universal Service Funds Received

	Universal Service Funds Re	eceived	Year: 2002
Line	Description	Last Year	This Year
No.	(a)	(b)	(c)
13	Funds received from Montana Sources	-0-	-0-
14	Funds received from Federal Sources	159,283	176,721
15			·
16			
17			
18			
19			
20			
21			
22			
23			
24	Total	159,283	176,721

Secretary (Secretary Managements and Assessment Secretary Company of the Company of the Company of the Company	2	